

# WORKER CO-OPS 101

- Canadian Worker Co-op Federation AGM 2022
  
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# WORKER CO-OPS 101

- What is a Co-op?
- What is a Worker Co-op?
- Where are they found?
- What do they do?
- How do I start one?
- Challenges



# WORKER CO-OPS 101

What is a Co-op?

A co-operative is an **autonomous association of persons united voluntarily** to meet their common economic, social, and cultural needs and aspirations through a **jointly owned and democratically controlled enterprise.**



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All Cooperatives are committed to a set of values.....

- Self help
- Self responsibility
- Democracy
- Equality
- Equity
- Solidarity



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And a set of Principles:

1. Open and Voluntary Membership
2. Democratic Member Control
3. Members' Economic Participation
4. Autonomy and Independence
5. Education, Training, and Information
6. Cooperation Among Cooperatives
7. Concern for Community



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Co-ops often “group” themselves for ease of cooperating to address common needs

Type of Co-op	Member Type	Main Goal	Examples
<b>Consumer co-op</b>	Consumers	Access to better quality and/or better priced products and services	Housing, grocery, credit unions.
<b>Producer co-op</b>	Independent businesses or farmers	Supply, processing, distribution, marketing.	Agrifoods, Gay Lea, Fishing co-ops, taxi co-ops
<b>Worker co-op</b>	Workers	Provide employment in a democratic context	Fair trade coffee roasting, green building, restaurants, consulting, etc.
<b>Multi-stakeholder co-op</b>	Workers, consumers, other individuals &/or organizations	Serve the needs of different stakeholder groups.	<u>Stocksy United</u> , Quebec home care co-ops

## What is a Worker Co-op?

- An enterprise that is **owned** and **democratically controlled** by its worker-owners, following the co-op values and principles.
- A co-op whose assets are collectively owned by worker-owners, and surplus earnings are allocated to the workers and/or retained in the co-op to support financial sustainability.
- Worker-owners control it on the basis of one member-one vote.
- Legally it is incorporated under a Co-operatives Act (usually in the province of residence, or federally). Minimum of 3 people; requires that it operate on a co-operative basis and conveys limited liability.



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## Where are they found?

- All over the world
  - Quebec, Canada
  - USA: California, NY
  - Mondragon, Spain
  - Bologna, Italy
  - France
  - Japan
  - Indonesia
  - India
  - Etc.





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What do they do?

- Employ people
- Build communities
- Lock down capital



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## How do I start one?

Two ways to start a worker co-op are:

1. Start a new enterprise as a worker co-operative
2. Buy an existing business & convert it to a worker co-op



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No, really, how do I start one?

- Identify an opportunity to serve people's needs better. Develop an idea that may address one or more of those needs
- Assemble a group of people who share your commitment to the idea
- Investigate the feasibility of your idea
- Write (or hire a consultant to help write) a business plan
- Organize the cooperative association
- Raise the necessary start-up capital, including member investment, outside investors and lenders
- Open for business!



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## What are the benefits of the model?

- All workers can share in ownership and direction
- Workers have input into workplace practices and policies
- Workers share in any profits / surpluses.
- Worker-owners get significant practice making decisions, growing skills and participating democratically.
- Worker co-ops tend to be more long-lasting than other types of businesses;
- They anchor jobs in communities.
- Workers in worker co-ops tend to stay employed longer than in other forms of business.



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## What are some of the Challenges?

- There can be a steep learning curve. Workers may not have all the skills that are needed to operate the business.
- New people may need to be brought in and integrated into the ownership model, in addition to their job.
- Need for member investment - of money and time. Need for outside investment.
- Need for management that will support the model and can work within it.
- Establishing a functioning governance body, developing their skills they need.
- Clarity for all about relationships among workers, managers and directors.

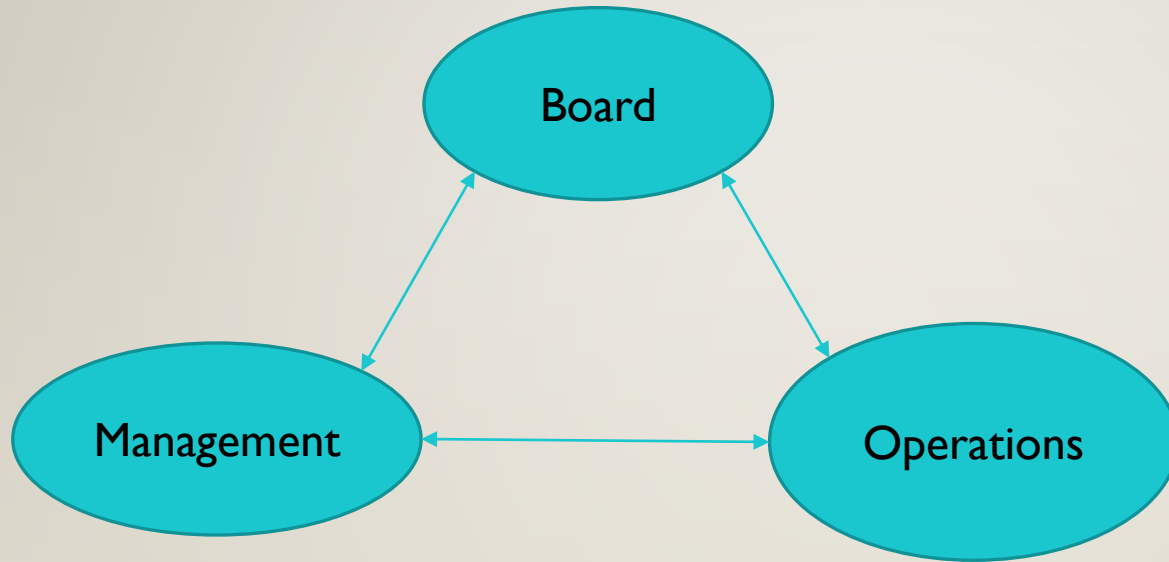


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## Stretch Break



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## SAMPLE DECISION MAKING MATRIX

Task/Decision	Who	Proposal Development	When/Where	Decision Process	Implementation Task or Outcome
Approve wage policy	Board	Board, Wages Committee, Management	General Meeting	Majority vote	Management/ Administration
Elect Directors	Members	Nominating Committee	General Meeting	Majority Vote	Board of Directors
Develop and approve annual budget	Board	Management/Finance committee	December Board Meeting	Majority vote	Board, Management, Members & Employees
Production Schedule	Production work team, shift supervisor	Management, sales administration	Weekly at Friday team meeting	Management	Production work team
Provide Superior Product or Service to Client	Worker (employee or member)	Service Policy Guidelines, Management, Work Team	Daily or as required	Policy Guidelines with workers Individual Judgement	Worker, shift supervisor and Management
Organize Annual Meeting	Governance Committee, Board, Management	GC, Board, Management	Within 6 months of fiscal year-end, and 15 months of last AGM	Board	Governance Committee, Management



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## SAMPLE TASK MATRIX

<b>Task</b>	<b>Lead</b>	<b>Involved</b>	<b>Approved</b>
Strategic Planning	Board or board committee	Management provides intel and resource evaluation	General Membership
Budgeting, Financial Projections	Board	Management provides intel, financial officer vets and verifies	General Membership
Major Expenditure	Management	Board, financial officer	Depending on the scale of the expenditure, Board or General Membership
New Hire	Shift Supervisor, Personnel Director,	If a new position, Board. If an existing position, management	If a new position, Board. If an existing position, shift supervisor/personnel officer.
Salaries and Benefits	Board	Management provides intel and resource evaluation	Board

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QUESTIONS? COMMENTS?



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Thank You Very Much

Marty Frost, CoActive Developments Worker Co-op